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FINANCING OF THE UNITED NATIONS TRANSITIONAL AUTHORITY IN CAMBODIA

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's report on the financing of the United Nations Transitional Authority in Cambodia (UNTAC) (A/48/701 and Corr.1 and 2 and Add.1). During the course of its consideration of the report, the Committee met with representatives of the Secretary-General, who provided updated information.

2. Paragraphs 1 to 15 of the main report (A/48/701), among other things, provide information on the establishment of UNTAC on 28 February 1992, its absorption of the United Nations Advance Mission in Cambodia (UNAMIC) in March 1992 and the conclusion of its mandate on 24 September 1993. For reasons given in paragraph 11 of the report, the Security Council decided that the withdrawal period for the military component of UNTAC should end on 15 November 1993. By its resolution 880 (1993), the Security Council decided to extend the period of withdrawal of the Mine Clearance and Training Unit of UNTAC until 30 November 1993 and further decided to extend the period of withdrawal beyond 15 November 1993 for elements of the military police and medical components of UNTAC on the understanding that all of these components would be withdrawn by 31 December 1993.

3. The Advisory Committee was informed that the military components of the operation have departed the area as scheduled and that the only staff currently in the area are those involved in the disposition of UNTAC assets and related administrative and finance work.

4. Paragraphs 16 to 22 of the Secretary-General's report indicate the General Assembly's actions with regard to the financing of UNTAC since its inception (including the resources provided for UNAMIC) and including authorization given to the Secretary-General to enter into commitments of up to $100 million to meet the costs associated with the liquidation of UNTAC.

5. The following table provides information on resources made available to the operation as well as its operating costs for the period from 1 November 1991 to 31 March 1994.

6. In a corrigendum to his report (A/48/701/Corr.1), the Secretary-General outlines the actions to be taken by the General Assembly at its forty-eighth session in connection with the financing of UNTAC. However, based on the information in the above table, it should be noted that the amount proposed to be appropriated to meet the costs associated with the liquidation of UNTAC for the period from 1 October to 31 December 1993 would be $57,732,000 gross ($55,714,800 net).

7. The status of assessed contributions as at 31 October 1993 is given in a second corrigendum of the Secretary-General's report (A/48/701/Corr.2). The total balance due as at 31 October 1993 is shown as $230,689,300. The latest information available shows that, as at 18 March 1994, total outstanding assessed contributions amounted to $273,759,383. The Advisory Committee trusts that every effort will be made to impress upon Member States the precarious financial situation of UNTAC and to obtain the outstanding amounts from Member States as quickly as possible.

8. Information on voluntary contributions and trust funds is given in sections VI and VII of the Secretary-General's report, while the status of reimbursements to troop-contributing countries is shown in section VIII. The Advisory Committee notes from paragraphs 80 and 81 that full reimbursement in accordance with standard rates of reimbursement has been made to Governments only up to the period ending 28 February 1993. The Advisory Committee understands that payment for this period was made in October 1993; this now represents the longest delay as compared with other peace-keeping operations. The estimated amount due to troop-contributing States for troop costs for the period from 1 March to 30 September 1993 is $105,738,100, excluding whatever additional costs will have accrued for the period after 30 September 1993. The Committee expresses its concern at this delay and trusts that every effort will be made to ensure that payments are effected to troop contributors as soon as possible.

9. Information regarding the financial performance of UNAMIC and UNTAC for the period from 1 November 1991 to 30 September 1993 has been provided in paragraphs 82 to 86 of the report and additional information is contained in annexes I, II and III to the report. Although the mandate of UNTAC officially ended on 24 September 1993, for financial reporting purposes 30 September has been used as the cut-off date for activities relating to the regular mandate of UNTAC and the start of the liquidation phase of UNTAC.

United Nations Advance Mission in Cambodia and United Nations Transitional Authority in Cambodia: resources made available and operating costs for the period from 1 November 1991 to 31 March 1994

(in United States dollars)

	Gross		Net	
1. Resources				
UNAMIC				
(a) Appropriation 1 November 1991-30 April 1992	14 319 200		13 967 300	
(b) Appropriation 15 January-30 April 1992	19 257 000		19 204 000	
		33 576 200		33 171 300
UNTAC				
(a) Appropriation 24 February-14 March 1992	200 000 000		200 000 000	
(b) Appropriation 15 March-31 October 1992	606 000 000		600 000 000	
(c) Appropriation 1 November 1992-30 April 1993	483 961 200		470 808 500	
(d) Authorization 1 May-31 July 1993	236 000 000		233 806 600	
(e) Appropriation 1 May-24 September 1993	85 000 000		85 000 000	
(f) Authorization 1 September 1993-31 March 1994	100 000 000		100 000 000	
		1 710 961 200		1 689 615 100
Subtotal		1 744 537 400		1 722 786 400
2. Credits to Member States				
1 November 1991-31 October 1992		(162 345 800)		(160 941 000)
Subtotal		1 582 191 600		1 561 845 400

		Gross		Net	
3.	Operating costs				
	(a) 1 November 1991-30 September 1993	1 547 851 900		1,523 696 000	
	(b) 1 October-31 December 1993	57 732 000		55 714 800	
	(c) 1 January 1994 to end of liquidation	9 170 600		8 126 200	
	Subtotal		1 614 754 500		1 587 537 000
4.	Overrun (2 - 3)		(32 562 900)		(25 691 600)
5.	Interest and miscellaneous income				
	(a) Interest income	5 701 718		5 701 718	
	(b) Miscellaneous income	3 520 428 a/		3 520 428 a/	
	(c) Income from sale of UNTAC property	1 953 367		1 953 367	
	(d) Income from sale of UNTAC vehicles	8 760 358		8 760 358	
	Total, interest and miscellaneous income	19 935 871		19 935 871	
6.	Total requirements [4 + 5]		(12 627 029)		(5 755 729)

a/ Includes voluntary contributions in cash of $1,761,861 received from Japan ($1,100,000), Luxembourg ($26,054), New Zealand ($25,807) and private donations ($610,000).

10. The Advisory Committee recommends that, based on the performance of UNAMIC and UNTAC, the Secretariat should evaluate administrative and budgetary experience gained, especially in such areas of major expenditure as personnel costs and budgeting for supplies and equipment, with a view to utilizing this experience in other peace-keeping operations. The Committee requests that a report on this subject be presented to the Assembly at its forty-ninth session. The report should, inter alia, contain information on the final disposition of assets as well as on the final outcome of disbursements and unliquidated obligations. The Committee also requests that the Board of Auditors assign particular attention to UNTAC in the course of its next audit of peace-keeping missions.

11. The Committee notes from annex X to the main report that the value of contingent-owned equipment "based on in-survey" has been given as $338,459,466.35. The Advisory Committee notes that an amount of $40.2 million has been included in the budget for the period from 1 November 1991 to 30 September 1993 (see A/48/701, annex I). The Committee was informed that, since the value shown against each unit was set by the various contingents themselves, there was a disparity in prices for similar equipment belonging to different units. The Advisory Committee has serious concerns regarding the lack of updated policy guidelines and adherence by contingents to them, as well as expertise in the Secretariat to evaluate the equipment; moreover, even if the expertise had been available, the Committee wonders how equipment that has left the mission area could afterwards be properly evaluated. The Committee recommends that, in the general review requested in document A/47/990, paragraph 28, account should be taken of, inter alia, equipment requirements of contingents as recommended by the Secretary-General, the rate schedule for reimbursement of contingent-owned equipment and the methodology of pricing and valuating this equipment, especially when the same or similar equipment is provided by different contingents.

12. Similarly, the Committee is concerned that at this time a policy for payment of death and disability awards has not been clearly defined. The Committee urges that a comprehensive review of this issue be completed expeditiously (see A/48/899, para. 21).

13. In the addendum to his report, the Secretary-General outlines the plan for disposition of the assets of UNTAC. From annex I to the addendum, the Committee notes that losses due to theft of UNTAC property amount to $2.2 million. In this connection, the Committee was informed that some 231 vehicles belonging to UNTAC had been stolen to date and that attempts at recovery had not been successful. The Advisory Committee expresses concern at these losses and recommends that the Secretary-General take the necessary measures to secure the protection of United Nations assets in other peace-keeping operations. Furthermore, the Advisory Committee recommends that the Secretary-General invite the Government of Cambodia and the Governments of neighbouring countries to which these vehicles may have possibly been taken to assist the United Nations in its efforts to recover its property.

14. The Advisory Committee was informed that assets worth some $90 million had been transferred to date from UNTAC to other United Nations operations. In line with its previous recommendation (A/47/990, para. 29), the Advisory Committee

expects that care will be taken not to request a second appropriation in respect of such property.

15. Annexes IV and V to the main report provide information on revised cost estimates for the liquidation phase of the operation from 1 October to 31 December 1993, while annexes VI and VII provide information on cost estimates for the final stage of the liquidation.

16. The Advisory Committee was informed that the activities associated with the final liquidation of UNTAC would be completed by May 1994. As indicated in paragraphs 1 and 2 of annex VII to the main report, personnel costs for this purpose have been estimated on the basis of 198 work-months of Professional staff costed at the P-4 level, 500 General Service work-months and 300 work-months for locally recruited staff, which, together with common staff costs, mission subsistence allowance and travel costs, amount to $6,664,200.

17. The Committee was informed that at the present time the staffing establishment of UNTAC consists of 54 international staff, 13 local staff and 5 staff with special service agreements. The Committee believes that this number is rather high in relation to the type and amount of work indicated in the report. The Committee also believes that expenses in this regard could be minimized if an attempt is made to complete the work earlier than the end of May 1994.

18. In document A/C.5/48/40, the Secretary-General had projected the requirements for UNTAC through its final liquidation at $134,357,000. Final expenditures for the period from 1 August to 30 September 1993 are estimated at $65,660,300 gross; for the period from 1 October to 31 December 1993 at $57,732,000 gross; and for the final liquidation period at $9,170,600 gross for a total of $132,562,900 gross. By its resolution 47/209 B the General Assembly authorized the Secretary-General to enter into commitments of up to $100 million to meet the costs associated with the liquidation. The Secretary-General is therefore requesting an additional amount of $32,562,900 gross. However, from the information provided in the table above, an amount of $19,935,871 gross in interest and miscellaneous income is available to UNTAC; the balance that would be required is therefore $12,627,027 gross.

19. The Advisory Committee notes from information provided to it that unliquidated obligations total $390,707,301 for the period up to the end of UNTAC's completion phase. The unliquidated obligations include amounts due to troop-contributing Governments ($113.7 million), contingent-owned equipment ($40.2 million) and death and disability payments ($17 million). Loans provided to UNTAC from the Peace-keeping Reserve Fund amount to $37.9 million and $25.7 million from the United Nations Transition Assistance Group (Namibia) Special Account. Recalling the purpose of the Reserve Fund as contained in resolution 47/217, the Advisory Committee questions the use of the Peace-keeping Reserve Fund as a cash reserve and intends to revert to the matter when reviewing the report of the Secretary-General on the establishment of a peace-keeping reserve fund.

20. The experience of the Advisory Committee in reviewing past performance reports has shown that a certain percentage of unliquidated obligations is

finally cancelled. The Advisory Committee therefore believes that the Secretary-General should be able to meet the additional requirement of $12,627,029 from the final unexpended balance of the unliquidated obligations.

21. Taking into account its comments above, the Advisory Committee recommends that the General Assembly appropriate the amount of $236 million gross authorized with the prior concurrence of the Advisory Committee and apportioned under the terms of paragraph 7 of General Assembly resolution 47/209, for the continued operation of UNTAC for the period from 1 May to 31 July 1993 (A/48/701/Corr.1, para. 97 (a)). It will also be necessary to appropriate the amount of $100 million gross previously authorized and assessed in accordance with General Assembly decision 48/469. In the opinion of the Advisory Committee, for the reasons given above, it will not be necessary to appropriate the additional amount of $32.6 million gross now being requested by the Secretary-General (see paras. 18-20 above).